

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
233 Richmond Street
Providence, RI 02903

INSURANCE REGULATION 36

**PRE-LICENSING REQUIREMENTS FOR LIFE AND
HEALTH INSURANCE AGENTS, SUB-AGENTS,
BROKERS AND SOLICITORS**

Table of Contents

| | |
|--------------|---|
| Section 1 | Applicability |
| Section 2 | School/Course Approval |
| Section 3 | Course Approval |
| Section 4 | Maintenance of Records |
| Section 5 | Revocation, suspension, refusal to renew or denial of school approval |
| Appendix I | Application and all attachments must be furnished in duplicate |
| Appendix II | Instructor qualification record |
| Appendix III | Certificate of completion |
| Appendix IV | Class attendance roster |

Pursuant to R.I. Gen. Laws §§ 42-35-3 *et seq.*, the Insurance Commissioner promulgates the following rule relating to mandatory pre-licensing requirements for life and health insurance agents, sub-agents, brokers and solicitors as contained in R.I. Gen. Laws §§27-3.1-1 *et seq.*:

Section 1 *Applicability*

- A. Residents of the State of Rhode Island who desire to obtain a license to sell life and health insurance must take and pass the mandatory forty (40) hour classroom course as provided under R.I. Gen. Laws § 27-3.1-2 in order to sit for the state license examination.
- B. Non-residents of the State of Rhode Island who possess a valid life and health insurance agents or brokers license from another state or the District of Columbia are not subject to the forty (40) hour prelicensing requirement of R.I. Gen. Laws §§ 27-3.1-1 *et seq.* in order to obtain a non-resident license to act as an agent in this State.
- C. Individuals who become residents of the State of Rhode Island, including those who hold insurance licenses in another state and may or may not

hold valid non-resident Rhode Island licenses, will be subject to the requirement to complete the forty (40) hour pre-licensing course as well as the prescribed state license examination.

Section 2 **School/Course Approval**

- A. The applicant must be eligible under R.I. Gen. Laws § 27-3.1-4.

An initial application must include the following:

- (A) Completed school application forms, shown as Appendix I of this Regulation, in duplicate with all attachments in duplicate.

- (B) The course outline referenced in the application must include all areas of life, annuity, accident and health insurance permitted under Rhode Island law. The outline must show the amount of time devoted to each topic of study including at least twenty-six (26) hours of life insurance and annuities, eight (8) hours in accident and health insurance and six (6) hours in relevant Rhode Island state law.

- (C) Instructor's experience or education must be submitted on the form contained in Appendix II of this Regulation.
 - i) Education -- an individual desiring to qualify as an instructor based solely upon education must submit a certified transcript from an accredited institution of higher learning indicating a major in insurance.

 - ii) Experience -- an individual desiring to be qualified based on experience must demonstrate that for the two years immediately preceding the application, at least seven hundred fifty (750) hours per year were devoted to life insurance and annuities and at least two hundred fifty (250) hours per year were devoted to accident and health insurance.

 - iii) Activities that would qualify as providing sufficient experience include: those activities described in Section 5 A-E of Appendix II and other activities directly related to the underwriting, sales and service of life insurance, annuities and accident and health insurance.

- (D) Certificates of completion must be reproduced on one side of an 8½" by 11" sheet of paper and be in the form as contained in Appendix III of this Regulation. Signatures on the certificate must

be original manual signatures, not stamped or otherwise reproduced.

- (E) Instructional material must cover all items listed in the course outline. Instructional material relating specifically to Rhode Island law and regulations must include those provisions of R.I. Gen. Laws § 42-14-1 *et seq* pertinent to the administration of insurance law, as well as those portions of Title 27 of the Rhode Island General Laws which are pertinent to the business of life insurance, annuities and accident and health insurance and R.I. Gen. Laws §§ 42-62-1 *et seq* and all regulations promulgated under the above-described provisions of the Rhode Island General Laws.
- (F) Samples of all current insurance policies and related forms pertaining to the areas of instruction. The samples must include at least one of each of the following:
 - 1. A cash value life insurance contract.
 - 2. A term life insurance contract without cash value.
 - 3. An annuity contract.
 - 4. A disability income contract.
 - 5. A hospital and/or medical benefit contract.
 - 6. An application for each of the above contracts.
 - 7. A comparative Information form as prescribed in Regulation XXIX, Exhibit D.
 - 8. Beneficiary change forms.
- (G) A separate sheet for each class location of the school with the name of the school and class location at the top of the sheet and listing the date and time of each class session.
- (H) A signature card must be provided in the following form: A 3" X 5" file card.

(School name)

(School address and telephone number)

The individual whose signature appears below is the duly authorized representative of our school and is empowered to sign certification

of completion documents submitted to the Insurance
Commissioner of the State of Rhode Island.

(Typed name) _____

Signature

By: _____

Name of Official, Title

Name of Sponsoring Organization

- (I) Examination schedules must be submitted on a separate sheet for each class location, with the name of the school and class at the top of each sheet.
- (J) The minimum enrollment per class shall be five (5) students.

There shall be a minimum enrollment of five (5) students for all segments of each course, including the segment on Rhode Island law.

Section 3 **Course Approval**

Separate applications for course approval will not be accepted. Applications for courses must be submitted concurrently with requests for school approval.

Each course shall consist of study aids and material as defined in R.I. Gen. Laws §§ 27-3.1-3 and 27-3.1-6 which must be approved by both the Insurance Commissioner and the Life and Health Agents Qualification Course Advisory Board prior to being offered.

Section 4 **Maintenance of Records**

1. Attendance records shall be maintained on the form attached hereto and incorporated herein as Appendix IV. Said attendance records must be maintained up to date at all times. The attendance record for any class must be in the possession of the instructor during each class meeting. Upon completion of each forty (40) hour session, the attendance record for that course must be delivered immediately to the school official designated on Appendix I, who shall retain that record until December 31, of the year following the year in which the record shall have been received. A copy of the attendance record for each course shall be submitted to the Chairman of the Life and Health Agents Qualification Course Advisory Board within ten (10) working days of completion of the course.
2. The school official shall maintain a permanent record of all individuals completing the forty (40) hour course. Said record must be indexed ending by date of the class and alphabetically by last name. Each individual record must contain the following information: full name, social security

account number, residence address, final grade (numerical score), course beginning date and ending date and instructor's name.

3. Instructor qualification records must be maintained as permanent records by the school official on the form provided -- Appendix II of this Regulation.
4. For each instructor who joins the school after approval an instructor qualification record (with original signatures) must be submitted to the Insurance Commissioner with copies to the advisory board. Instructors may not provide instruction until approved by the Insurance Commissioner.

Section 5 **Revocation, Suspension, Refusal to Renew or Denial of School Approval**

- (A) After notice and hearing as provided in R.I. Gen. Laws §§ 42-35-1 *et seq.*, the Department of Business Regulation Regulations Regarding Department Hearings in Contested Cases and subsection (B) hereof, the Insurance Commissioner may revoke, suspend, refuse to renew or deny the approval to operate a school issued under R.I. Gen. Laws § 27-3.1-4 for any one (1) or more of the following causes:
 - (1) Fraud or deceit in obtaining approval to operate a school under R.I. Gen. Laws § 27-3.1-4.
 - (2) Dishonesty, fraud or gross negligence in the operation of a school that offers the life and health agents qualification course.
 - (3) Violation of or failure to comply with provisions of R.I. Gen. Laws § 27-3.1-1 *et seq.*, or any provision of Regulation 36.
- (B) The Insurance Commissioner may initiate proceedings against the individual, partnership, corporation, organization or other entity who applies for approval to operate a school under R.I. Gen. Laws § 27-3.1-4 and/or the owner/operator of a school approved pursuant to said statute either on his/her own motion, on the complaint of Life and Health Agents Qualification Course Advisory Board or on the complaint of any person.

Appendix I - Application and all attachments must be furnished in duplicate

APPENDIX I

APPLICATION AND ALL ATTACHMENTS MUST BE FURNISHED IN
DUPLICATE

SCHOOL/COURSE APPLICATION

Name of sponsoring organization _____
Name of school (if different from above) _____
Address _____
Telephone No. _____
School Official _____
(Name) (Title)

List all locations where courses will be offered:

Minimum class size at each location (ten (10) or more):

The following documents must be attached hereto:

1. Course outline indicating amount of time devoted to each topic.
2. An instructor qualification record for each instructor on the initial faculty.
3. Sample certificate of completion.
4. Copies of all instructional books proposed for use.
5. Copies of current insurance policies and related forms pertaining to each area of instruction.
6. Proposed class schedules (dates and times for each location, separate sheets for each location).
7. Signature card for school official who is authorized and will sign certificates of completion. (Note: new card must be filed before any other signature on certificate of completion will be accepted).
8. Examination schedule (dates and times for each location, separate sheet for each location).

The above application and all statements contained therein (including all attachments hereto) are true and complete to the best of my knowledge and belief.

| | |
|-------------------------|-------|
| <hr/> | |
| Authorized Signature | Title |
| Sponsoring Organization | |
| <hr/> | |
| Authorized Signature | Title |
| School Official | |
| <hr/> | |
| Date | |

Appendix II Instructor qualification record

APPENDIX II

INSTRUCTOR QUALIFICATION RECORD

This application is based upon: (Circle one)

Education
Experience

Name _____ Home Telephone _____

Home Address _____

Business Address _____

Business Telephone _____

Employer _____

Supervisor _____

Current position _____

Educational background: (complete only if application is based on education).

High School _____

Date of graduation _____

College _____

Date of graduation _____

(certified transcript attached)

(Major courses of study)

Note: signatures required below

Professional background/experience: (complete if application is based on experience)

Companies currently licensed with:

1. _____

Dates: _____

(from -- to)

2. _____

Dates: _____

3. _____

Dates: _____

4. _____

Dates: _____

1. Do you currently hold a valid Rhode Island Life and Health Insurance Agent's License? _____

b) If yes: This license has been in continuous effect since _____ month/year

2. Have you ever had any insurance license, in any state, revoked or suspended for any reason? _____

b) If yes: Explain below, specifying place, date and reason for action taken.

3. How many hours per year, in the last two (2) years, did you devote to the business of life insurance and annuities?

Year 1 _____
year beginning date hours

Year 2 _____

4. How many hours per year, in the last two (2) years, did you devote to the business of accident and health insurance?

Year 1 _____
year beginning (month, day and year) hours

Year 2 _____

5. Briefly describe your activities in each of the following areas. (For each activity indicate the number of hours per year).

- Year 1
- A. Recruiting and training of agents _____
 - B. Direct sales to consumers (Include analysis and sales preparation) _____
 - C. Service to existing policyholders including claims service _____
 - D. Supervision of other agents _____
 - E. Underwriting/risk selection _____
 - F. Other (please specify) _____

- Year 2
- A. Recruiting and training of agents _____
 - B. Direct sales to consumers (Include analysis and sales preparation) _____
 - C. Service to existing policyholders including claims service _____

Appendix III Certificate of completion

APPENDIX III

CERTIFICATE OF COMPLETION

(Name of School)

Awards This Certificate to

First name, middle initial, last name

resident address

Social Security No. _____

In Recognition of the Successful Completion of the
Life and Health Pre-Licensing Educational Program.

Beginning On _____ And Ending On _____

Grade _____ (numerical score)

In Witness Whereof This Certificate Has Been Presented

This _____ day of _____, _____

(Print or type name)
(of school official)

signature of school official

(Print or type name)
(of instructor)

signature of instructor

